

**PUBLIC SERVICE COMMISSION
STATE OF MONTANA**

Dave Fisher, Chairman
Nancy McCaffree, Vice Chair
Bob Anderson, Commissioner
Danny Oberg, Commissioner
Bob Rowe, Commissioner



1701 Prospect Avenue
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Helena, MT 59620-2601
Telephone: (406) 444-6199
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<http://www.psc.mt.gov>

July 9, 1997

TO: Interested parties/Universal Service and Universal Access

FROM: Bonnie Lorang, PSC

A handwritten signature in cursive script that reads "Bonnie".

RE: Updates

In an effort to keep everyone informed, I will be sharing information with you as I receive it throughout this summer. Please pass the information on to the members of your group. I'd appreciate your sharing information with the Commission as well. There are such great opportunities for schools and libraries now. It's so important to keep networking.

- ◆ The FCC recently posted their time line for final rules on universal service.

The FCC's 5/08/97 Universal Service Order (FCC 97-157) was published in the June 17, 1997 Federal Register. Effective dates: July 17, 1997, except for Subpart E of Part 54 which will become effective on January 1, 1998. This publication includes changes made in the FCC's 6/04/97 errata. Petitions for Reconsideration of the Order are due 7/17/97. Pursuant to Part 1 rules, oppositions to petitions are due 15 days after notice of any petitions appears in the Federal Register. Replies to oppositions are due 10 days after the date for filing oppositions has expired.

- ◆ The FCC issued a Public Notice on July 2, 1997, with frequently asked questions on universal service and the Snowe-Rockefeller-Exon-Kerrey Amendment. Copy is attached.
- ◆ On June 25, 1997 the PSC voted to approve the federal level of discounts for intrastate telecommunications services. This allows schools and libraries in Montana to make applications for the federally funded discounts. A copy of the PSC news release is enclosed.

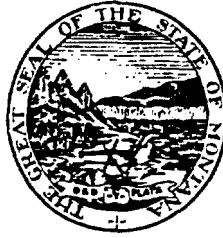
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- ◆ The Universal Service and Universal Access sites are now available on the PSC internet home page. (www.psc.mt.gov) PSC telecommunications documents are posted on this site. Also note the links to other web sites. I have found the information on web sites for other PSC's or PUC's to be extremely helpful, especially Florida and Michigan. There is no need for everyone to independently invent the wheel. The Montana Office of Public Instruction and Montana State Library have good information posted as well.
- ◆ Latest rumblings from Washington indicate application forms for the federal discounts may not be available until late summer. I have not seen any firm information on that yet. I am told Christine Day from Bozeman Schools is one of five individuals chosen nationwide to review the draft application form. Montana has great resources!
- ◆ The PSC has approved proposed rules for the Montana Interim Universal Access Program and the proposed rules have been submitted to the Secretary of State for publication. They will be posted on the PSC web site upon publication. Comments, however, must be submitted in writing pursuant to Commission rules of procedure. Please review the rules carefully and send your comments to the Commission. A hearing is not contemplated so written comments are important.
- ◆ The PSC has chosen members to the oversight group for the Montana Interim Universal Access Program. The list of members is also posted on the PSC web site.

We'll keep in touch. If you prefer to receive these updates electronically, please let me know.
(blorang@mt.gov)

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July 17, 1997

TO: Interested parties/Universal Service and Universal Access

FROM: Bonnie Lorang, PSC

A handwritten signature in cursive script, appearing to read "Bonnie", written over the printed name.

RE: Universal Service/Access Updates

- ◆ The Federal Communications Commission (FCC) on its own motion issued an Order on Reconsideration of Universal Service, Docket No. 96-45, FCC 97-246, 7/10/97. The Commission revised several technical details of its actions in the Universal Service Report and Order. Please note the clarifications:

With respect to schools and libraries, the FCC concludes that an "eligible school or library is not required to comply with the competitive bidding requirement for any contract for telecommunications services that it signs after November 8, 1996 and before the competitive bidding system is operational, but only if that contract covers only services provided to the school or library before December 31, 1998."

The FCC also concludes that an "eligible school or library may not receive a federal universal service discount on services provided to it before January 1, 1998." In addition, the FCC determined it will "consult the members of the Federal-State Joint Board on Universal Service before adopting any changes to the discount matrix for schools and libraries."

- ◆ Southwestern Bell Telephone Co., Pacific Bell, and Nevada Bell have asked the Federal Communications Commission (FCC) for a stay of its universal service orders. The telcos that make up SBC Communications are asking the FCC to stay the parts of the universal service order including the provisions for discounts on telecommunications services to schools, libraries, and health-care providers.

SBC also asked the 8th U.S. Circuit Court of Appeals to look at the universal service rules. That case has since been transferred to the 5th U.S. Circuit Court of Appeals.

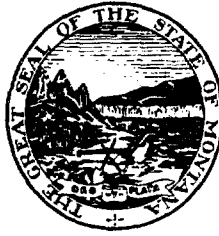
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- ◆ The Montana State Library reports that Cascade and Yellowstone counties are the only Montana areas designated as urban for purposes of determining federal discounts for telecommunications services.
- ◆ OPI will be posting information for determining the discount levels (percentages eligible for free or reduced school lunch) for Montana schools. Information will be available for review on the State of Montana Electronic Bulletin Board System, MetNet, OPI's E-Rate Page, and the E-Rate List Serve.
- ◆ The Public Service Commission proposed rules for the Montana Interim Universal Access Program have been noticed for comment and are posted on the PSC website. (http://psc.mt.gov/universal/U_access.htm)
- ◆ For your information, I am enclosing a copy of the title page for an article which may be of interest. The Learning Connection, Schools in the Information Age, (<http://www.benton.org/Library/Schools/>) examines broad technology and education issues and resources needed to make sure technology investments have positive effects.

We'll keep in touch. (blorang@mt.gov)

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July 29, 1997

TO: Interested parties/Universal Service and Universal Access

FROM: Bonnie Lorang, PSC *Bonnie*

RE: Universal Service/Access Updates

- ◆ I am enclosing a summary of the health care provider section of the federal universal service order. This is similar to the school/library summary I previously prepared. The summary is posted on the PSC web site and I have hard copies available for distribution as well.
- ◆ OPI has posted the school lunch percentages and corresponding discounts for telecommunications services on MetNet. I am enclosing a hard copy for distribution. The numbers speak for themselves - Montana schools and libraries qualify for significant discounts.
- ◆ In the near future we'll be seeing various workshops addressing the E-Rate issues. The American Association of School Administrators is scheduling intensive, one-day regional workshops designed to help school districts prepare for and receive maximum savings from federally legislated discounts on telecommunications services. A workshop is scheduled for September 29, 1997 in Breckenridge, Colorado; another is scheduled for October 27, 1997 in Seattle, Washington. Information can be obtained by telephone (703) - 875-0748 or on the Web <mhunt@aasa.org> or <tdaberkow@aasa.org>.
- ◆ The FCC has directed NECA (National Exchange Carriers Association) to create an independent, not-for-profit subsidiary to act as the temporary administrator of the Universal Service Fund, and to form two unaffiliated, nonprofit corporations to oversee applications from schools, libraries and rural health care providers. The first new subsidiary, the Universal Service Administrative Company (USAC) will represent industry interests, as well as those of service providers, schools, libraries and state regulatory commissions.

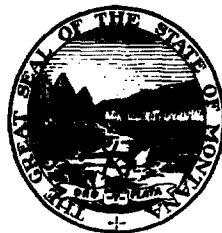
Still no word on application forms....

We'll keep in touch. Let me know if I can assist you in outreach.

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September 9, 1997

To: The Montana Education Community

Re: Discounts for Telecommunications Services

As you undoubtedly know by now, recent federal and state legislation and agency rulings are opening new doors for telecommunications opportunities for Montana schools, libraries and health care providers. The 1996 Federal Telecommunications Act, and the May 1997 Order issued by the Federal Communications Commission (FCC), provide \$2.25 billion annually for discounted telecommunications services for schools and libraries and \$400 million annually for advanced telecommunications services for health care providers. The level of the federally funded discounts for schools and libraries is based upon an urban/rural designation and an economic indicator. Preliminary review of the discount levels for these applicants indicate that most Montana schools and libraries will be eligible for a 50% to 90% discount on telecommunication services. Discounts apply on all telecommunications services, not just internet access. What a wonderful opportunity for Montana!

In order to take advantage of the discounts, eligible schools and libraries and health care providers must file applications with the National Exchange Carriers Association (NECA), designated by the FCC as administrator of the fund.

In addition, the 1997 Montana Legislature provided an Interim Montana Universal Access Program which allocates \$250,000 for FY98 and \$500,000 for FY99 to provide discounts on advanced telecommunication services to public access points, tribal colleges, schools, libraries and health care providers. The Public Service Commission (PSC) is administering this program. Applications for state discounts may be filed with this office. Under Montana law, eligible state discounts must be reduced by discounts available from federal funding. It's therefore important that applicants file with NECA for the federally funded discounts prior to filing with the PSC for any state funding.

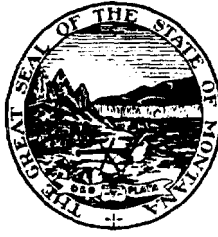
We encourage you to contact your education, library and health organizations and explore the discounts which are available. The FCC encourages entities to form consortium for obtaining the best prediscount price for telecommunications services. Communities can be working together to not only provide new telecommunications opportunities but also to obtain those services at the lowest available cost. Our office will provide information on these programs and work with you to answer inquiries. Feel free to give our staff a call (406-444-6191).

Sincerely,

Dave Fisher, Chairman
Montana Public Service Commission

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September 18, 1997

TO: Interested parties/Universal Service and Universal Access

FROM: Bonnie Lorang, PSC

RE: Universal Service/Access Updates

I am enclosing a copy of a notice from the FCC soliciting comments on prioritizing and disbursing funds from the Universal Service account for the schools, libraries, and health care provider discounts. The FCC issued the Public Notice September 10, 1997. Parties may file comments on or before September 25, 1997 on the distribution options. It is my understanding at this time that EdLINC Montana and the Montana School Board Association may be filing comments, as well as the PSC. There are concerns that funding for this first year will "go fast" and the FCC is searching for methods to ensure fair distribution of discount monies.

Other news is still slow from the FCC and NECA, the fund administrator. NECA is slowing accomplishing what it has to do to implement the program. No application forms are yet available. Keep watching the NECA site (www.neca.org/). Now the FCC is saying "midfall".

The good news is that Montana schools, libraries and health care providers have a little more time to get their application information together. Montana EdLINC is coordinating outreach information. I am enclosing an EdLINC resource pamphlet, printed at no charge by US WEST. Technology Planning pamphlets will soon be available as well. Copies of these pamphlets are available for distribution to your organization members. Let me know how many copies you need for your outreach. Our common goal is to ensure that all eligible Montana schools, libraries and health care providers know about and can take advantage of the funding assistance.

On the state side, the Commission should be finalizing the Universal Access rules next week.

We'll keep in touch. (blorang@mt.gov)